
HOUSE BILL 2196

State of Washington

60th Legislature

2007 Regular Session

By Representatives Goodman, Rodne, Morrell, Ross, O'Brien, Priest, Hurst, VanDeWege, Hudgins, Seaquist, Kelley, Simpson, Miloscia, McCoy, Walsh, Haler, Bailey, Strow, Hailey, Kretz, Appleton, Kessler, Campbell, Kenney, Moeller, Conway, Pearson and Ormsby

Read first time 02/13/2007. Referred to Committee on State Government & Tribal Affairs.

1 AN ACT Relating to state contracts with businesses owned by
2 veterans with disabilities; amending RCW 43.60A.010, 43.19.536,
3 39.80.040, and 47.28.030; adding new sections to chapter 43.60A RCW;
4 adding a new section to chapter 43.19 RCW; adding a new section to
5 chapter 28B.10 RCW; adding a new section to chapter 39.04 RCW; adding
6 a new section to chapter 39.29 RCW; and creating new sections.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

8 NEW SECTION. **Sec. 1.** The legislature finds that:

9 (1) Washington state is the home of large forward deploying
10 military units and bases. These include Fort Lewis, McChord Air Force
11 Base, Whidbey Island Naval Air Station, Naval Station Everett, Naval
12 Station Bangor, and Naval Station Bremerton. Additionally, Washington
13 National Guard Stryker Brigade has been one of the most involved
14 forward deploying national guard units in the country, suffering
15 significant numbers of killed and wounded in recent conflicts.

16 (2) The United States and Washington state are experiencing
17 increasing numbers of residents who are returning from combat
18 operations and military service with significant impairment. These men

1 and women who have been injured in defense of our country should be
2 entitled to every reasonable benefit that our state can provide.

3 (3) The federal government has established a service disabled
4 veteran certification program with a three percent target for all
5 federal contracting, as has the state of California.

6 **Sec. 2.** RCW 43.60A.010 and 2006 c 343 s 2 are each amended to read
7 as follows:

8 As used in this chapter the following words and phrases shall have
9 the following meanings unless the context clearly requires otherwise:

10 (1) "Department" means the department of veterans affairs.

11 (2) "Director" means the director of the department of veterans
12 affairs.

13 (3) "Committee" means the veterans affairs advisory committee.

14 (4) "Board" means the veterans innovations program board.

15 (5) "Goals" means overall agency goals, expressed as a percentage
16 of dollar volume, for participation by businesses owned by veterans
17 with disabilities.

18 (6) "Goods and services" includes professional services and all
19 other goods and services.

20 (7) "Procurement" means the purchase, lease, or rental of any goods
21 or services.

22 (8) "Public works" means all work, construction, highway and ferry
23 construction, alteration, repair, or improvement other than ordinary
24 maintenance, which a state agency or educational institution is
25 authorized or required by law to undertake.

26 (9) "State agency" includes the state of Washington and all
27 agencies, departments, offices, divisions, boards, commissions, and
28 correctional and other types of institutions.

29 (10) "Veteran with a disability" means a veteran as defined in RCW
30 41.04.007 who has at least a ten percent service-connected disability.

31 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.60A RCW
32 to read as follows:

33 (1) The department shall develop a procedure for certifying
34 businesses owned by veterans with disabilities and maintain a list of
35 businesses owned by veterans with disabilities on the department's

1 public web site. To be certified by the department, the business must
2 meet all the following requirements:

3 (a) It is a sole proprietorship at least fifty-one percent owned by
4 one or more veterans with disabilities or, in the case of a publicly
5 owned business, at least fifty-one percent of its stock is owned by one
6 or more veterans with disabilities; a subsidiary that is wholly owned
7 by a parent corporation, but only if at least fifty-one percent of the
8 voting stock of the parent corporation is owned by one or more veterans
9 with disabilities; or a joint venture in which at least fifty-one
10 percent of the joint venture's management, control, and earnings are
11 held by one or more veterans with disabilities;

12 (b) The management and control of the daily business operations are
13 by one or more veterans with disabilities. The veterans with
14 disabilities who exercise management and control are not required to be
15 the same veterans with disabilities as the owners of the business;

16 (c) It is a sole proprietorship, corporation, or partnership with
17 its home office located in the United States, which is not a branch or
18 subsidiary of a foreign corporation, foreign firm, or other foreign-
19 based business.

20 (2) The department shall develop an outreach program for businesses
21 owned by veterans with disabilities.

22 (3) The department shall collaborate with and may assist agencies
23 in implementing outreach to businesses owned by veterans with
24 disabilities.

25 (4) The department shall adopt rules necessary to implement this
26 act. The rules shall include instructions to agencies regarding what
27 specific information they must report to the department.

28 (5) The department shall report to the legislature by December 1,
29 2009, and December 1st of each odd-numbered year thereafter outlining
30 the progress made in implementing this act.

31 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.60A RCW
32 to read as follows:

33 (1) State agencies are encouraged to award three percent of all
34 procurement contracts that are exempt from competitive bidding
35 requirements under RCW 43.19.1906(2) to businesses owned by veterans
36 with disabilities certified by the department under section 3 of this
37 act.

1 (2) State agencies shall:

2 (a) Perform outreach to businesses owned by veterans with
3 disabilities in collaboration with the department to increase
4 opportunities for businesses owned by veterans with disabilities to
5 sell goods and services to the state;

6 (b) Keep a record of all contracts awarded to businesses owned by
7 veterans with disabilities as required by the department;

8 (c) Require that any contractor with one million dollars or more in
9 state contracts develop and submit to the agency a plan to hire
10 veterans with disabilities; and

11 (d) Report by December 1, 2009, and December 1st of each odd-
12 numbered year thereafter to the department on the progress made in
13 implementing this section as directed by the department.

14 NEW SECTION. **Sec. 5.** A new section is added to chapter 43.19 RCW
15 to read as follows:

16 The department of general administration shall identify in the
17 department's vendor registry all vendors that are businesses owned by
18 veterans with disabilities as certified by the department of veterans
19 affairs under section 3 of this act.

20 **Sec. 6.** RCW 43.19.536 and 1983 c 120 s 13 are each amended to read
21 as follows:

22 (1) All contracts entered into and purchases made, including
23 leasing or renting, under this chapter on or after September 1, 1983,
24 are subject to the requirements established under chapter 39.19 RCW.

25 (2) All contracts entered into and purchases made, including
26 leasing or renting, under this chapter on or after the effective date
27 of this act, are subject to the requirements established under sections
28 3 and 4 of this act.

29 NEW SECTION. **Sec. 7.** A new section is added to chapter 28B.10 RCW
30 to read as follows:

31 All contracts entered into and purchases made, including leasing or
32 renting, under this chapter on or after the effective date of this act,
33 are subject to the requirements established under sections 3 and 4 of
34 this act.

1 A state highway shall be constructed, altered, repaired, or
2 improved, and improvements located on property acquired for right of
3 way purposes may be repaired or renovated pending the use of such right
4 of way for highway purposes, by contract or state forces. The work or
5 portions thereof may be done by state forces when the estimated costs
6 thereof (~~(is [are])~~) are less than fifty thousand dollars and effective
7 July 1, 2005, sixty thousand dollars: PROVIDED, That when delay of
8 performance of such work would jeopardize a state highway or constitute
9 a danger to the traveling public, the work may be done by state forces
10 when the estimated cost thereof is less than eighty thousand dollars
11 and effective July 1, 2005, one hundred thousand dollars. When the
12 department of transportation determines to do the work by state forces,
13 it shall enter a statement upon its records to that effect, stating the
14 reasons therefor. To enable a larger number of small businesses,
15 businesses owned by veterans with disabilities, and minority((7)) and
16 women contractors to effectively compete for department of
17 transportation contracts, the department may adopt rules providing for
18 bids and award of contracts for the performance of work, or furnishing
19 equipment, materials, supplies, or operating services whenever any work
20 is to be performed and the engineer's estimate indicates the cost of
21 the work would not exceed eighty thousand dollars and effective July 1,
22 2005, one hundred thousand dollars. The rules adopted under this
23 section:

24 (1) Shall provide for competitive bids to the extent that
25 competitive sources are available except when delay of performance
26 would jeopardize life or property or inconvenience the traveling
27 public; and

28 (2) Need not require the furnishing of a bid deposit nor a
29 performance bond, but if a performance bond is not required then
30 progress payments to the contractor may be required to be made based on
31 submittal of paid invoices to substantiate proof that disbursements
32 have been made to laborers, materialmen, mechanics, and subcontractors
33 from the previous partial payment; and

34 (3) May establish prequalification standards and procedures as an
35 alternative to those set forth in RCW 47.28.070, but the
36 prequalification standards and procedures under RCW 47.28.070 shall
37 always be sufficient.

1 The department of transportation shall comply with such goals and
2 rules as may be adopted by the office of minority and women's business
3 enterprises to implement chapter 39.19 RCW with respect to contracts
4 entered into under this chapter. The department may adopt such rules
5 as may be necessary to comply with the rules adopted by the office of
6 minority and women's business enterprises under chapter 39.19 RCW.

7 NEW SECTION. **Sec. 12.** This act is not intended to create a cause
8 of action or entitlement in an individual or class of individuals.

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